

FOR OFFICIAL USE ONLY

Approved For Release 2002/06/13 : CIA-RDP81B00878R000800120034-9

10 September 1959

MEMORANDUM FOR: Chief, Development Projects Division, DD/P

STATINTL

ATTENTION: [REDACTED]

THROUGH: Director, Photographic Intelligence Center CICL

SUBJECT: Overrun MINICARD Contract EQ-1806

1. As agreed at the 3 September meeting in your office, it is impossible for us to place a monetary value on the modifications to the MINICARD equipment listed in [REDACTED] 9 October 1958 letter to Mr. Bissell, DPS-4754.

STATINTL

2. A comparison of the broad performance specifications for each machine with the list of modifications seems to indicate that the modifications were due in large part to engineering and design changes made necessary by failure of the machines when tested at Eastman Kodak.

3. Two other contributing causes for the modifications were undoubtedly, technological advances since the MINICARD idea was first conceived some years ago and the introduction of new engineering talent to the project.

4. It is not felt that these modifications added anything to improve the performance of the equipment, in fact, as [REDACTED] pointed out at the 3 September meeting, the capability of the Sorter was materially reduced when tests in Rochester and at the U.S. Air Force showed that it was mechanically impossible to transport the 100 magazine block within allowable tolerances.

STATINTL

5. As to the method of arriving at the amount of overrun, it seems irregular that such is based on the "Estimated Unit Reproduction Cost to the Air Force" rather than the actual cost to produce specific items.

STAT [REDACTED] cameras produced for PIC and OCR (for OCR) do not seem realistic. The OCR cameras are much more complicated than either the PI or the SIS cameras; they require more electronics, far greater reduction ratios, and much finer tolerances. Likewise, the Enlarger Print

DOCUMENT NO.

NO CHANGE IN CLASS. X

☐ DECLASSIFIED

Approved For Release 2002/06/13 : CIA-RDP81B00878R000800120034-9

FOR OFFICIAL USE ONLY

AUTH: [REDACTED]

DATE: 11/12/81 REVIEWER: 064540

Processor for PIC, which is less complex than the OCR version, is priced the same [] as the latter.

7. The charge of [] for "Systems" Engineers is entirely out of order. Admittedly, we have had many meetings and contacts with EK Systems people, but any benefits reaped by these meetings are mutual. EK is and has been attempting to negotiate a large contract with the U.S. Air Force for equipment which would handle the same type of original materials used in PIC, therefore, any developments arising from our meetings are valuable to EK. We have received no formal studies, procedures or reports under this contract.

8. As to the charge of [] for "Installation and Set Up", the contract states: "Contractor shall furnish, deliver, and install"; therefore, this charge is obviously out of order.

9. In enclosure I to the letter of 9 October 1958, the first two items listed, namely; Film Lubricator and Mask Printer are in fact instruments that were furnished, but not included in the contract, however, they were developed because tests at EK indicated that the system would not operate without them.

10. As to the "Work Organization Aids" furnished, it is our firm belief that EK was adequately paid in Item 21 of Schedule I of the contract "Miscellaneous MINICARD Equipment - Total []"

11. In summation, I do not feel that the Government received anything over and above what it contracted for under Contract EQ-1806 as a result of the Modifications and Additional Equipment enumerated in Enclosures I and II of DPS-4754.

STATINTL

[]
Chief, Data Management Division,
Photographic Intelligence Center

ILLEGIB